

AUG 29 2002

Memorandum
City Council, Mayor's Office

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Leslye Corsiglia

SUBJECT: SEE BELOW

DATE: August 22, 2002

Approved



Date

8.29.02

COUNCIL DISTRICT: 6

SNI AREA: None

INFORMATION

SUBJECT: CINNABAR COMMONS RELOCATION OF TENANTS

BACKGROUND

This memo responds to the questions raised by Councilmember Pat Dando at the City Council meeting on August 20, 2002, concerning the relocation of tenants on the 4.09-acre site located at the westerly side of Stockton Avenue between Cinnabar Street and Lenzen Avenue. Councilmember Dando inquired about requirements associated with the use of 20% Tax Increment funding for the relocation of business tenants displaced as a result of the proposed 248-unit Cinnabar Commons development.

ANALYSIS

The project sponsor, Seven Hills Properties, is in the process of evaluating the relocation obligation on the site and is seeking advice from consultants with expertise in this field in order to meet the applicable relocation regulations. If it is determined that business tenants are eligible to receive benefits they could be offered the following benefits:

Moving Expenses

Moving expenses may include the following actual reasonable costs:

- The moving of inventory, machinery, equipment, and similar business-related property dismantling, disconnecting, crating, packing, loading, insuring, transporting, unloading, unpacking, and reconnecting of personal property;
- Loss of tangible personal property provides payment for actual, direct loss of personal property that the owner is permitted not to move; and
- Expenses related to searching for a new business site, up to \$1,000 for reasonable expenses actually incurred.

Re-establishment Expenses

Re-establishment expenses related to the operation of the business at the new location, up to \$10,000 for reasonable expenses actually incurred.

Fixed In Lieu Payment

A fixed payment in lieu of moving and searching payments and re-establishment payment may be available to businesses that meet certain eligibility requirements. This payment is an amount equal to the average annual net earnings for the last two taxable years prior to the relocation and may not be less than \$1,000 or more than \$20,000.

It is a condition of City financing that the project sponsor meet all relocation obligations as required by federal and State law. The full status of the relocation for this development will be reported to the City Council at the time of the funding recommendation for Cinnabar Commons.

COORDINATION

This report has been prepared by the Housing Department in coordination with the Office of the City Attorney.


LESLEYE CORSIGLIA
Director of Housing